

# Sustainability Framework

## *Summary of feedback on Version 0.1 and changes to Version 1.1*

This short document contains an overview of feedback received during the stakeholder consultation phase of Version 0.1 of the Sustainability Framework (25 October - 26 November 2020). We have also included an overview of the changes we have made to the revised version 1.1, which we are now conducting a consultation on.

We would like to thank everyone that provided feedback to the framework – we greatly appreciate the time spent on this to provide important feedback to Preferred by Nature.

First, we would like to provide an overview of the key changes we made to version 1.1.

## Revisions:

### Changes to the Framework structure and general contents

1. **Numbering indicators:** We have revised the numbering structure of the Framework, so instead of having Criteria numbered from 1-29, we now number the criteria according to the principle they belong under. This was done for easier reference.
2. **Adding processing indicators:** as part of the framework, we have now added a column indicating which indicators are considered legally required or core sustainability issues for processing, in addition to the existing indicators applicable to land-use operations.
3. **The Sections on "System Requirements" and "Due Diligence"** (Part B 1 and 2 of Version 0.1) has been moved and placed in individual standard documents – now called standard on "System requirements" and standard on "Supply chain management and due diligence".
4. **Fair pricing:** The Criterion has been removed and some requirements reflected under Principle 1. Additional guidance will be developed for fair pricing.

## Summary of key revisions

During the first consultation we added several direct questions related to the framework in order to seek input on some specific issues. Below is the result from our work with this until now:

1. **GMO:** We have opted not to include direct reference to GMO in the framework. Preferred by Nature will develop guidance and options for an add-on module for GMO, if relevant to users of the framework.
2. **Cut-off date for legal status of land tenure:** It was concluded not to use a cut-off date for evaluation of legality of land tenure to be in line with human rights conventions.
3. **Cut-off date for conversion:** Preferred by Nature have decided to maintain the rolling cut-off for conversion, as outlined in the first draft version, which includes a 10 year rolling cut-off date.
4. **Best practice indicators:** The best practice indicators have been removed or reworded to become "Core" where relevant. We have done this due to the fact that "best practices" vary considerably from sector to sector, and thus are difficult to provide specific indicators. In addition, best practices is not something that can be evaluated easily using a standardised risk assessment approach. We do however, recognise the need for guidance on the use of best practices, and we are planning to publish such guidance on specific issues in the future.

## Revisions of framework criteria and indicators

Criterion 1.1: **Land tenure and management rights are secure** – Criterion revised and expanded to include clear requirement also on FPIC in relation to indigenous peoples and local communities' rights.

Criterion 1.2: **Management and operations meet legal requirements and are conducted in a responsible manner** – Criterion wording revised and new indicators added, specifically on stakeholder engagement and implementation of a human rights' due diligence process, in line with UN Guiding principle for Human Rights.

Criterion 1.4: **Corruption and conflict of interest is effectively avoided**. Criterion reworded and several indicators changed from "Best Practice" to "Core".

Criterion 1.5: **Trade and transport are conducted legally and responsibly** – Added requirements related to responsible management of sourcing and deliveries.

Criterion 2.1: **Child labour shall not be present, and employment of young workers is responsibly managed**. Criterion wording revised to clarify the requirements for avoiding child labour and management of the employment of young workers. Also, we have more clearly defined the terms child labour and employment of young people.

Criterion 2.2: **Modern slavery, forced or compulsory labour do not occur** – New requirements added, and existing requirements revised, to clarify requirements related to slavery and forced labour.

Criterion 2.3: **Workers' rights are respected** – New requirement added on rest periods and work contracts. Also, requirements moved here from 2.9, related to recruitment and employment.

Criterion 2.4: **Discrimination is not occurring** – Indicators revised to strengthen criterion.

Criterion 2.5: **All workers are remunerated in a responsible manner**– Criterion wording changed, and indicators revised and new added, to focus on the remuneration of workers.

Criterion 2.6: **Workplaces are safe and healthy** – Minor revisions to two indicators and addition of indicators 2.6.7 and 2.6.8 to add requirement to do workplace risk assessment.

Criterion 2.7: **Employer-provided housing shall be safe and hygienic** – Indicator 2.7.6 is reworded, to specifically aim at providing medical services only in cases where relevant to employers providing housing to workers.

Criterion 2.8: **Gender equality is maintained and protected** – Indicators added to strengthen criterion.

Criterion 2.9: **The rights of Indigenous Peoples are respected** - Wording of indicator 2.10.4 has been revised to better capture the process for addressing unresolved land-tenure claims.

Criterion 2.11: **Remediation measures are implemented as appropriate** – Three indicators combined to one. Guidance will be developed on remediation.

Criterion 3.1: **Natural ecosystems are protected from degradation and conversion** – New indicator added on protection of riparian buffer zones.

Criterion 3.3: **Chemicals are used cautiously with minimal negative impacts** – One indicator deleted as it is included in existing indicators. Indicator 3.3.2 reworded. Two new indicators added as Indicators 3.3.5 and 3.3.6, to add specific requirements to achieve a reduction in the use of chemicals.

Criterion 3.4: **Waste is reduced and managed appropriately** – Two indicators reworded and indicator 3.4.6, changed from “Best practice” to “Core”.

Criterion 3.5: **Water resources are protected and used efficiently** – Indicator 3.5.2 added.

Criterion 3.6: **Soil is conserved and managed appropriately** – Indicators 3.6.4 and 3.6.5 changed from “Best practice” to “Core” and reworded.

Criterion 4.2: **Steps are implemented for climate change mitigation** – Indicators 4.2.6 and 4.2.7 changed from “Best practice” to “Core”.

Criterion 4.3: **Climate change adaptation efforts are proportionate to the risks and anticipated impacts** – Indicators 4.3.3 and 4.3.4 changed from “Best practice” to “Core”.

## Stakeholder feedback – summary

We have inserted all comments received in the survey we conducted during the first round of consultation in an excel sheet to allow an easy overview of the comments received for specific principles, criteria and indicators.

The excel sheet can be accessed [here](#).

As part of the consultation process Preferred by Nature asked for specific feedback from stakeholders on key issues, for which we have special interest in receiving feedback. The following topics:

### 1. Definition and setting a cut-off date for legitimacy of ownership.

Q: On assessing the legitimacy of land tenure (see Framework Part A, Criterion 1), should a cut-off date be defined, and if so, what is the appropriate duration of time to go back in history?

Feedback:

- 20 years may be applied.
- We believe a cut-off date would turn this into a standard and commitment on its own, which is why we think it is better to rely on existing commitments or standards.
- Yes, that seems like a good idea. 10 years maybe?
- No cut-off date should be defined because land tenure rights should be complied at the point of assessment.
- Since obtained the land title or land tenure

### 2. GMOs

Q: On GMOs, we have not included this issue in the Framework. What are your considerations concerning GMOs as part of setting ethical business commitments?

Feedback:

- I think that for the Framework to be considered legitimate by the average consumer/end buyer, GMOs should not be allowed. While there may be legitimate arguments for use of GMOs in very specific situations, most consumers are not interested in such details, and any Framework that doesn't have broad consumer buy-in will likely fail in the long run.

- Perhaps depend on the regulation from the location of the organization.
- Yes, should be included.
- It's a complicated issue - I think the sustainability framework is okay staying away from GMO's. Perhaps, there could be some sort of 'risk assessment' on the use of GMO's that the company has to do, to ensure that the known risks (spread into nearby environments) are mitigated to the best of their ability.
- GMO should be included in the Framework to prove sustainability, if not, ethical business commitments should be proved as it is not realised by farmers or villagers who will receive impact in future.
- We remain cautiously optimistic regarding the future of GM technology. GM technology offers several production and sustainability benefits: reducing the demand on arable land by increasing yields; improving climate and drought resilience; and reducing the chemicals used to prevent pests and diseases. With the advances in technology GM will surely play an important role in increasing the crop yields whilst reducing negative land-use impacts. At the same time, GM technology has sparked significant debate, particularly in Europe where genetically modified organisms (GMOs) are considered a sensitive technology requiring strict frameworks. Several stakeholder groups have raised concerns that GM technology may not be sustainable in the long-term and may increase environmental and health risks such as the potential for GM technology to cause allergies or biodiversity loss. In addition, some stakeholders are concerned that GM seeds would not be accessible to all farmers, particularly those in developing communities. Since there is no consensus amongst the stakeholder groups on the benefits or risks a more uniform assessment is needed.
- Well, all other relevant standard (FSC, RA, Organic) ban GMO.. This would be in contrast to those standards and possibly leave the framework open critique.

### 3. Rolling cut-off date for conversion

Q: On conversion of forests and other natural ecosystems (see Framework Part A, Criterion 20), we have proposed a rolling cut-off date, depending on the crop. What do you think of this approach?

Feedback:

- I would strongly prefer a hard cut-off date or dates; as written, in ten years' time, those managers converting lands today would be eligible for NEPCon's sustainability seal. I disagree with this approach.
- agree
- It is fine.
- It is criteria 20? Or 18? I think the 10 years is fine and justifiable, although I admit my knowledge on this is low. I do think it provides a 'happy medium', its not encouraging recent conversion, but also allowing people to participate where 'restoration' might not be appropriate anymore (ie. its in the middle of large agricultural area now, and so making the field go back to normal won't be appropriate to how the typography is now)
- see comment above.
- Yes, that works fine.
- Should follow the date of the respective company's sustainability policy

### 4. Best Practice indicators.

Q: The Framework contains a limited number of indicators for "Best practice." These are intended to be used by organisations wishing to go beyond meeting Legal and Core requirements to have

further positive impact. Do you agree with our including a limited set of these, or would you suggest we remove them for such a framework, or would you suggest we include more?

Feedback:

- I have a few comments on this for specific indicators, but in general I think that these differentiations do add value to the Framework and should be retained.
- Agree
- I would suggest having a requirement that the company consider the best practice requirements and maybe require that they try to work towards one (a step-up approach). I like the best requirement indicators, but it seems that there is no benefit if the company achieves them, nor is there a requirement to be considered. Putting either a 'benefit' or a 'requirement' on them will weigh them more heavily. If they are suggestions though - I would encourage there to be more, or at least a gold standard in every feasible requirement.
- We see benefits of dividing the indicators in this way, although hard to understand the difference between legal and core? Would not legal requirements automatically be part of core? Perhaps an opportunity to simplify.
- I think that best practices are fine, but I am not sure what incentive organizations will have to meet them. Will they get a different seal? Will they get a higher price? It might make sense just to grade things as minor/major conformance... Similar to critical criteria in RA (that you cannot miss).
- It's a commendable decision to include requirements on best practices. However, certain motivation should be available for compliance to best practices requirements. Currently the requirement only on Core and Legal indicators.
- I think the fewer categories and less complexity = the better and personally would view those as 1) Legal 2) Best Practice or perhaps combine Legal/Core in some way e.g. 1) Core (legislated) Core (not legislated) and 2) Best Practice - organisations should be doing core requirements because it's the socially responsible thing to do, not just because it's written in legislation.

## 5. Remediation

Q: On remediation (see Framework part B1, requirement 7), we do not yet have a clear definition of what companies shall be expected to remediate in terms of past harms. Do you have input on how far back we should go and what criteria we should suggest for determining the responsibility for remediation?

Feedback:

- Responsibility about land grabbing or natural or cultural destruction. It could be determined based on complaint.
- The company should only be responsible on issues implicated by them since acquired ownership to the land.

## 6. Other comments

- Pg. 6: Principle 20: Chemical use: should include language around avoidance in overview if possible. - NEPCon Sustainability Framework: Are we planning to audit our own framework? If so, is this a COI and who will accredit us for the Framework? Thank you for the opportunity to comment on this!
- How to use this sustainability framework and push the Organization to meet criterion beyond legal?

- Sustainability should not mean market barriers for smallholders.
- We see the framework as well-developed and comprehensive, but we are less sure of why one would use it, especially bearing in mind that things like the AFI already exist, which is adopted by big corporate benchmarking initiatives like CDP and SBT. If you consider that we have our own Responsible Sourcing procedure for all categories of purchasing, covering Human Rights, Labour standards, Business Ethics and the Environment, on top of which we require our base materials suppliers to be certified by FSC, Bonsucro, ASI and RSB I can't see much call for extras. Rest assured, we have no doubts that NEPCon have a great capability and expertise for helping us to assessing risk in particular aspects of our supply chains for our raw material sourcing.
- Overall, I think this is a great framework. However, implementing it will be hard and very labour intensive. Additionally, some of these requirements will not be able to be met by many farms. I expect as written, this will only be able to be used by organisations with lots of financial resources or farms/organisations pushed by corporate buyers.